

REMARKS

Claims 62, 65, 68-70, 73, 75-77, 81, 84, 86-90 and 92-95 are pending in this application, with Claims 62, 65, 68, 75, 81, 84 and 86-88 amended, and Claims 1-61, 63, 64, 66, 67, 71, 72, 74, 78-80, 82, 83, 85 and 91 cancelled. Applicant respectfully requests reconsideration and review of the application in view of the amendments and the following remarks.

The Examiner objected to Claims 72, 82 and 91 under 37 C.F.R. § 1.75(c) for "failing to further limit the subject matter of the previous claim." See Office Action at p. 2. Accordingly, the Applicant has cancelled Claims 72, 82 and 91. Therefore, these objections should be withdrawn.

Before addressing the merits of the rejections based on prior art, Applicant provides the following brief description of the present application. The present invention is directed toward a system and method for adding an advertisement to a personal communication. Specifically, as shown in Figures 1 and 2, the system (10) comprises a Web site (110), a sender device (120) and a recipient device (130), wherein the Web site (110) is in communication with the sender device (120) and the recipient device (130) via a wide area network (102) (e.g., the Internet), and comprises a server (112), an advertising application (114) and a memory device (116). In one embodiment of the present invention, the advertising application (114) is configured to (i) automatically select an advertisement from a plurality of advertisements (e.g., as stored in the memory device), (ii) insert the advertisement into an email (e.g., as initiated by the sender device), and (iii) send the email to the recipient device.

In another embodiment of the present invention, the advertising application is further configured to ***use at least a portion of the content or subject matter of the email to select an advertisement from a plurality of advertisements***, wherein ***the sender is compensated for allowing the advertisement to be inserted into the email***. The system is advantageous over the prior art in that it (i) compensates the sender for sending an email to a recipient (e.g., by providing the sender with free email service, etc.), and (ii) provides advertisements for products to consumers that are more likely to be interested in the products. The system does this by inserting advertisements

into emails that include related subject matter and/or content. For example, an advertisement for Nike™ may be inserted into an email concerning sports (e.g., an email asking the recipient whether he/she would like to go to a football game with the sender).

The Examiner rejected Claims 62, 64, 65, 68, 69, 72, 74-77 and 79-95 under 35 U.S.C. § 102(e) as being anticipated by Gabbard et al. (U.S. Pat. No. 6,205,432). The Examiner also rejected Claims 62, 64, 65, 68-70, 72-77 and 79-95 under 35 U.S.C. § 103(a) as being unpatentable over Gabbard et al. ("Gabbard"). The Applicant respectfully traverses these rejections.

Gabbard provides a system and method for inserting a background reference to an advertisement (e.g., a watermark) in an electronic communication. According to Gabbard, the watermark is "selected in accordance with end user recipient demographic information and/or ad exposure statistics" (see Abstract). Specifically, as shown in Figure 5:

Based on a determination in step 408, advertisements may be selected by the background reference system 155 based on **available demographic information for a particular end user recipient** (step 414) **and/or on advertiser and advertisement exposures** (step 416). In a web-based "free" e-mail implementation, acquisition of demographic information is required before the e-mail account is provided to a user. If demographic information is not available or is otherwise inconclusive for targeted advertisements, commitments to advertisers may drive the selection from a pool of available advertisers. Of course, as advertisements are selected based on demographic categories or exposure requirements, records are maintained for future selection and reporting purposes.

See col. 10, ll. 3-16 (emphasis added).

In contradistinction, the claimed invention provides inserting an advertisement into an email, **where the advertisement is automatically selected using the content or subject matter of the email**. This limitation is not disclosed in or suggested by Gabbard. While the Examiner referred to the phrase "message content factor" from column 16, line 54 (see Office Action at p. 3), this phrase is not related to whether a

particular watermark should be inserted into an electronic communication, but to whether or not ***any watermark should be inserted into the electronic communication***. In other words, Gabbard provides that before a particular watermark is selected for insertion into an electronic communication, it must first be determined whether any watermark should be inserted into the electronic communication. This decision is based on (i) whether there is an existing watermark, (ii) whether the existing watermark should be overwritten, and (iii) whether the recipient has authorized the insertion of a watermark. Specifically, as shown in Figure 5:

If the message already includes a background reference, step 406 determines if an approval configuration specifies whether the background reference can be overwritten with a new background reference. If the approval configuration indicates that background references are not to be overwritten for a particular message, step 412 indicates that the background reference insertion process 312 terminates without overwriting the existing background reference. ... In still other embodiments, a general approval determination is included before format determination in order to determine if a particular end user recipient has approved any background reference insertions, regardless of whether any background references already exist.

See col. 9, ll. 35-62. To this end, Gabbard states that:

As discussed above, this separate approval system functions in accordance with an approval configuration for each end user recipient which, in some embodiments, determines if an existing background reference exists and if it is to be overwritten. In other embodiments, certain users may be configured to have all background references overwritten, and in other embodiments, the insertion of background references is approved based on other demographics or message content factors.

See col. 16, ll. 45-54.

Gabbard then provides that "[s]ubsequently, in step 816, the ZWatermarker 628 begins the process of obtaining an appropriate background reference," and [t]hen, in step 818, separate demographic software ... determines the appropriate background reference for the supplied MailBoxName." See col. 16, l. 59 - col. 17, l. 2. ***In other***

words, with reference to Figure 16, if the approval system determines (e.g., based on whether a watermark already exists, demographic information, or message content factors) **that a watermark should be inserted into the electronic communication (see step 810), then a determination is made** (e.g., based on demographic information or exposure statistics) **as to which watermark should be inserted into the electronic communication (see step 818).**

From this it is clear that Gabbard does not disclose inserting an advertisement into an email, wherein the advertisement is automatically selected using the content or subject matter of the email. More particularly, Gabbard does not disclose or suggest "[a] Web host connected to a wide area network (WAN), comprising: a Web server adapted to communicate with a plurality of network devices via said WAN; a memory device connected to said Web server and adapted to store a plurality of advertisements; and an advertising application, wherein said advertising application provides the functions of: permitting a sender to submit communication data to said Web host and to identify at least one recipient of said communication data; **using at least a portion of the content of said communication data to automatically select at least one advertisement from said plurality of advertisements**; inserting said at least one advertisement into a personal electronic communication, wherein said personal electronic communication comprises an e-mail message; sending said personal electronic communication to said at least one recipient via said WAN; and compensating said sender by providing said sender with a free service in exchange for allowing said Web host to send said personal electronic communication, including said at least one advertisement, to said at least one recipient." See Claim 62. Therefore, the rejection of independent Claim 62, and the rejections of independent Claims 68, 75, 81, 87, 88 and 92, which include similar limitations, should be withdrawn. Further, the rejections of Claims 65, 69-70, 73, 76, 77, 84, 86, 89, 90 and 93-95, which depend from the foregoing independent claims, should also be withdrawn.

In view of the foregoing, the Applicant respectfully submits that Claims 62, 65, 68-70, 73, 75-77, 81, 84, 86-90 and 92-95 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited. To the extent it would be helpful to placing this application in condition for allowance, the Applicant encourages the Examiner to contact the undersigned counsel and conduct a telephonic interview.

While the Applicant believes that no fees are due in connection with the filing of this paper, the Commissioner is authorized to charge any shortage in the fees, including extension of time fees, to Deposit Account No. 50-0639.

Respectfully submitted,



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